

**FAMILY HEALTH  
NOVEMBER 2007  
LOCAL ASSISTANCE ESTIMATE  
for  
FISCAL YEARS  
2007-08 and 2008-09**

Fiscal Forecasting and Data Management Branch  
State Department of Health Care Services  
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**MANAGEMENT  
SUMMARY**



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S. Kimberly Belshé  
Secretary  
California Health and Human Services Agency

Sandra Shewry  
Director  
Department of Health Care Services

**Family Health Estimate  
Management Summary  
November 2007 Estimate**

**Fiscal Year 2007-08**

The November 2007 Family Health Estimate shows a Fiscal Year (FY) 2007-08 General Fund (GF) deficiency of \$1.0 million GF compared to the FY 2007-08 Budget Appropriation as explained below (dollars in millions):

2007-08 Budget Appropriation	\$136.9
November 2007 Estimate	<u>\$137.9</u>
GF Change	\$1.0

For the specific programs included in the Family Health Estimate, the 2007-08 GF change from the Appropriation is:

California Children's Services (CCS)	\$1.6
Child Health and Disability Prevention Program (CHDP)	-0.1
Genetically Handicapped Persons Program (GHPP)	<u>-0.5</u>
Total Family Health	\$1.0

The major reasons for the change from the Appropriation are:

CCS

1. Base: State Only Treatment Services Costs: In 2007-08, costs for treatment services are expected to be \$1.0 million GF greater than anticipated in the 2007-08 Appropriation based on later actual data. In 2008-09 these costs are expected to increase by an additional \$74,000 GF.
2. Base: Healthy Families Treatment: Costs for services for CCS Healthy Families children are \$1.5 million GF less than the 2007-08 Appropriation based on later actual data. In 2008-09 these costs are expected to increase by \$5.9 million GF over the 2007-08 costs.

3. Policy Change 9 – Shift of CCS State/County Costs to Medi-Cal: In 2007-08, savings are expected to be \$1.5 million GF, which is \$1.8 million GF less savings than anticipated in the 2007-08 Appropriation. In the Appropriation, the shift of costs to Medi-Cal was based on 2006-07 information, which included cost shifts for prior years. The cost shift on an ongoing basis is expected to be \$1.5 million GF.

### GHPP

1. Policy Change 3 – Blood Factor Rebates and Contract Savings:  
Most GHPP clients with hemophilia receive care and obtain their anti-hemophiliac factor through hemophilia treatments centers (HTCs). The HTCs have begun to participate in the federal Health Resources and Services Administration 340B Drug Pricing Program. The 340B program requires drug manufacturers to provide outpatient drugs to 340B covered entities, such as the HTCs, at reduced prices. Under the 340B Program, savings to the State are realized through lower costs at the time the Department reimburses the HTC's claims. 340B claims do not qualify for a manufacturer rebate. This change results in a \$2 million GF increase in the GHPP program in FY 2007-08 as compared to the Appropriation, due to the decrease in rebates.

**Management Summary**  
**Fiscal Year 2007-08**  
**Comparison of Appropriation to November Estimate**

	Approp Est. FY 2007-08	Nov. 07 Est. FY 2007-08	Chg Approp - Nov. 2007 Est.
<b><u>California Children's Services</u></b>			
4260-111-0001 (General Fund)	\$ 96,358,800	\$ 97,973,100	\$ 1,614,300
4260-601-0995 (CDPH Title V Reimbursement)	\$ 5,021,000	\$ 5,021,000	\$ 0
4260-601-7503 (Federal Title XIX HCSF)	\$ 18,000,000	\$ 18,000,000	\$ 0
4260-111-0890 (Federal Title XXI)	\$ 115,358,600	\$ 110,820,200	\$ (4,538,400)
County Funds <sup>1</sup>	\$ 104,356,500	\$ 106,445,500	\$ 2,089,000
<b>TOTAL CCS</b>	<b>\$ 234,738,400</b>	<b>\$ 231,814,300</b>	<b>\$ (2,924,100)</b>
<b><u>Child Health and Disability Prevention Program</u></b>			
4260-111-0001 (General Fund)	\$ 2,741,000	\$ 2,630,000	\$ (111,000)
4260-111-0080 (CLPP Funds)	\$ 24,000	\$ 24,000	\$ 0
<b>TOTAL CHDP</b>	<b>\$ 2,765,000</b>	<b>\$ 2,654,000</b>	<b>\$ (111,000)</b>
<b><u>Genetically Handicapped Persons Program</u></b>			
4260-111-0001 (General Fund)	\$ 37,788,000	\$ 37,292,000	\$ (496,000)
4260-601-7503 (Federal Title XIX HCSF)	\$ 8,000,000	\$ 8,000,000	\$ 0
4260-601-0995 (Enrollment Fees)	\$ 213,000	\$ 195,000	\$ (18,000)
4260-601-3079 (Rebates Special Fund)	\$ 3,500,000	\$ 1,500,000	\$ (2,000,000)
<b>TOTAL GHPP</b>	<b>\$ 49,501,000</b>	<b>\$ 46,987,000</b>	<b>\$ (2,514,000)</b>
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 287,004,400</b>	<b>\$ 281,455,300</b>	<b>\$ (5,549,100)</b>
4260-111-0001	\$ 136,887,800	\$ 137,895,100	\$ 1,007,300
4260-111-0890	\$ 115,358,600	\$ 110,820,200	\$ (4,538,400)
4260-601-7503	\$ 26,000,000	\$ 26,000,000	\$ 0
4260-601-0995	\$ 5,234,000	\$ 5,216,000	\$ (18,000)
4260-111-0080	\$ 24,000	\$ 24,000	\$ 0
4260-601-3079	\$ 3,500,000	\$ 1,500,000	\$ (2,000,000)
County Funds <sup>1</sup>	\$ 104,356,500	\$ 106,445,500	\$ 2,089,000

<sup>1</sup> County Funds are not included in Total Funds. They are shown for display only.

**Family Health Estimate  
Management Summary  
November 2007 Estimate**

**Fiscal Year 2008-09**

The Family Health Estimate shows a 2008-09 General Fund savings of \$28.3 million GF compared to 2007-08, as explained below (dollars in millions):

2007-08	\$137.9
2008-09	<u>\$109.6</u>
GF Change	-\$28.3

For the specific programs included in the Family Health Estimate, the 2008-09 GF change from 2007-08 is:

California Children's Services (CCS)	-\$19.1
Child Health and Disability Prevention Program (CHDP)	0.1
Genetically Handicapped Persons Program (GHPP)	<u>-9.2</u>
Total Family Health	-\$28.3 (rounding)

The major reasons for the decreased costs in 2008-09, compared to 2007-08, that were not discussed under 2007-08 are:

CCS

1. Base: State Only Therapy Costs: In 2008-09, costs for therapy provided by CCS county program staff in CCS school-based medical therapy units are expected to increase by an additional \$3.1 million GF over the 2007-08 costs based on later actual data.
2. Budget Balancing Reductions (Several PCs): The Department will implement budget balancing reductions beginning in 2008-09. It is assumed that the necessary statutory changes will be enacted by March 1, 2008. These reductions total \$41.8 million GF in FY 2008-09. More detailed information on the individual reductions is included in Appendix A.

## Management Summary

### Fiscal Year 2007-08 Compared to Fiscal Year 2008-09

	Nov. 07 Est. FY 2007-08	Nov. 07 Est. FY 2008-09	Difference Incr./ (Decr.)
<b><u>California Children's Services</u></b>			
4260-111-0001 (General Fund)	\$ 97,973,100	\$ 78,838,100	\$ (19,135,000)
4260-601-0995 (CDPH Title V Reimbursement)	\$ 5,021,000	\$ 5,021,000	\$ 0
4260-601-7503 (Federal Title XIX HCSF)	\$ 18,000,000	\$ 35,839,000	\$ 17,839,000
4260-111-0890 (Federal Title XXI)	\$ 110,820,200	\$ 118,501,800	\$ 7,681,600
County Funds <sup>1</sup>	\$ 106,445,500	\$ 103,480,500	\$ (2,965,000)
<b>TOTAL CCS</b>	<b>\$ 231,814,300</b>	<b>\$ 238,199,900</b>	<b>\$ 6,385,600</b>
<b><u>Child Health and Disability Prevention Program</u></b>			
4260-111-0001 (General Fund)	\$ 2,630,000	\$ 2,659,000	\$ 29,000
4260-111-0080 (CLPP Funds)	\$ 24,000	\$ 24,000	\$ 0
<b>TOTAL CHDP</b>	<b>\$ 2,654,000</b>	<b>\$ 2,683,000</b>	<b>\$ 29,000</b>
<b><u>Genetically Handicapped Persons Program</u></b>			
4260-111-0001 (General Fund)	\$ 37,292,000	\$ 28,077,000	\$ (9,215,000)
4260-601-7503 (Federal Title XIX HCSF)	\$ 8,000,000	\$ 16,811,000	\$ 8,811,000
4260-601-0995 (Enrollment Fees)	\$ 195,000	\$ 195,000	\$ 0
4260-601-3079 (Rebates Special Fund)	\$ 1,500,000	\$ 1,500,000	\$ 0
<b>TOTAL GHPP</b>	<b>\$ 46,987,000</b>	<b>\$ 46,583,000</b>	<b>\$ (404,000)</b>
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 281,455,300</b>	<b>\$ 287,465,900</b>	<b>\$ 6,010,600</b>
4260-111-0001	\$ 137,895,100	\$ 109,574,100	\$ (28,321,000)
4260-111-0890	\$ 110,820,200	\$ 118,501,800	\$ 7,681,600
4260-601-7503	\$ 26,000,000	\$ 52,650,000	\$ 26,650,000
4260-601-0995	\$ 5,216,000	\$ 5,216,000	\$ 0
4260-111-0080	\$ 24,000	\$ 24,000	\$ 0
4260-601-3079	\$ 1,500,000	\$ 1,500,000	\$ 0
County Funds <sup>1</sup>	\$ 106,445,500	\$ 103,480,500	\$ (2,965,000)

<sup>1</sup> County Funds are not included in Total Funds. They are shown for display only.

**Management Summary**  
**Fiscal Year 2008-09**  
**Comparison of Appropriation to November Estimate**

	<b>Approp Est. FY 2007-08</b>	<b>Nov. 07 Est. FY 2008-09</b>	<b>Chg Approp - Nov. 2007 Est.</b>
<b><u>California Children's Services</u></b>			
4260-111-0001 (General Fund)	\$ 96,358,800	\$ 78,838,100	\$ (17,520,700)
4260-601-0995 (CDPH Title V Reimbursement)	\$ 5,021,000	\$ 5,021,000	\$ 0
4260-601-7503 (Federal Title XIX HCSF)	\$ 18,000,000	\$ 35,839,000	\$ 17,839,000
4260-111-0890 (Federal Title XXI)	\$ 115,358,600	\$ 118,501,800	\$ 3,143,200
County Funds <sup>1</sup>	\$ 104,356,500	\$ 103,480,500	\$ (876,000)
<b>TOTAL CCS</b>	<b>\$ 234,738,400</b>	<b>\$ 238,199,900</b>	<b>\$ 3,461,500</b>
<b><u>Child Health and Disability Prevention Program</u></b>			
4260-111-0001 (General Fund)	\$ 2,741,000	\$ 2,659,000	\$ (82,000)
4260-111-0080 (CLPP Funds)	\$ 24,000	\$ 24,000	\$ 0
<b>TOTAL CHDP</b>	<b>\$ 2,765,000</b>	<b>\$ 2,683,000</b>	<b>\$ (82,000)</b>
<b><u>Genetically Handicapped Persons Program</u></b>			
4260-111-0001 (General Fund)	\$ 37,788,000	\$ 28,077,000	\$ (9,711,000)
4260-601-7503 (Federal Title XIX HCSF)	\$ 8,000,000	\$ 16,811,000	\$ 8,811,000
4260-601-0995 (Enrollment Fees)	\$ 213,000	\$ 195,000	\$ (18,000)
4260-601-3079 (Rebates Special Fund)	\$ 3,500,000	\$ 1,500,000	\$ (2,000,000)
<b>TOTAL GHPP</b>	<b>\$ 49,501,000</b>	<b>\$ 46,583,000</b>	<b>\$ (2,918,000)</b>
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 287,004,400</b>	<b>\$ 287,465,900</b>	<b>\$ 461,500</b>
4260-111-0001	\$ 136,887,800	\$ 109,574,100	\$ (27,313,700)
4260-111-0890	\$ 115,358,600	\$ 118,501,800	\$ 3,143,200
4260-601-7503	\$ 26,000,000	\$ 52,650,000	\$ 26,650,000
4260-601-0995	\$ 5,234,000	\$ 5,216,000	\$ (18,000)
4260-111-0080	\$ 24,000	\$ 24,000	\$ 0
4260-601-3079	\$ 3,500,000	\$ 1,500,000	\$ (2,000,000)
County Funds <sup>1</sup>	\$ 104,356,500	\$ 103,480,500	\$ (876,000)

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